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Rewald hints of CIA bias by prosecutors

By Walter Wright

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Ronald Rewald moved to dismiss the charges against him yesterday on grounds two government prosecutors may have secret links to the CIA that may have caused them to conceal the truth.

Rewald's attorney, Michael Levine, said there is "strong indication" that Assistant U.S. Attorneys John Peyton and Theodore Greenberg "had a vested interest in protecting the Central Intelligence Agency."

Peyton declined comment last night, and Greenberg could not be reached. But U.S. Attorney Dan Bent said, "Peyton and Greenberg work for me and through me for the Justice Department. They are both assistant United States attorneys and answerable only to the Justice Department."

Rewald is charged with 100 counts of fraud, perjury and tax evasion in connection with the operation of his defunct investment firm, Bishop, Baldwin, Rewald, Dillingham & Wong. He insists that the firm was created and operated by the CIA for intelligence gathering and that he was working at CIA direction.

The CIA used the company at least to provide commercial cover — telephone numbers and stationery — for some personnel. But Thomas Hayes, controller in bankruptcy for the firm, says the CIA link involved only about \$3,000 in reimbursements and does not explain Rewald's use of nearly \$5 million in investor funds for himself, family and friends.

Levine argued that Peyton's former position as chief of litigation for the CIA and Greenberg's involvement as prosecutor in the Edwin Wilson and Richard Craig Smith espionage

cases creates the appearance of impropriety and gives both men "strong incentives to . . . engage in actual impropriety."

Levine said both attorneys may have had access to documents and information another prosecutor could not have seen in the course of normal discovery in a criminal case. Failing dismissal of the case, Levine asked that Peyton be disqualified because of a conflict of interest.

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